

Report of the Supervisory Board

Dear Shareholders,

2019 was a very successful year for IMMOFINANZ, a year in which the operating business and sustainable earning power were significantly strengthened. Very attractive acquisitions in the office and retail sector as well as the completion of development projects increased the portfolio to substantially more than EUR 5 billion. Milestones were also reached in the financing area: With the receipt of an investment grade rating and the issue of an unsecured EUR 500 million benchmark bond, we not only developed a further, important source of financing on the international capital market but also achieved a very solid credit profile.

In our function as the Supervisory Board, we accompanied IMMOFINANZ and its Executive Board on all activities and, as in previous years, conscientiously performed the duties required by law and the articles of association. The Executive Board provided the Supervisory Board with extensive, ongoing and timely information on the development of business and the company's asset, financial and earnings position and, in this way, met its information requirements at all times and in appropriate depth.

The Supervisory Board and Executive Board discussed the company's economic position as well as major events and measures in seven meetings during the 2019 financial year. The current members of the Supervisory Board attended roughly 86% of the meetings, whereby none of the members were absent from more than half of the meetings. Detailed statistics on the attendance of the individual members can be found in the Corporate Governance Report beginning on page 44. Outside the framework of these meetings, the Supervisory Board remained in regular contact with the Executive Board and took a number of decisions through circular resolutions. The cooperation between the Supervisory Board and the Executive Board was consistently characterised by open discussions and constructive teamwork.

The Supervisory Board dealt extensively with the company's strategic orientation, the further optimisation of the portfolio through the acquisition and sale of properties, the company's management by the Executive Board and the financing situation as well as developments on the real estate and capital markets and the situation in IMMOFINANZ's core countries.

The following subjects formed the focal points of discussions:

- The issue of a corporate bond with a volume of EUR 500.0 million in connection with the initial receipt of an investment grade rating from S&P Global Ratings
- The strengthening of our position as a leading provider of high-quality office property solutions in our core markets through the acquisition of the fully rented Warsaw Spire office high-rise in Warsaw and the Palmovka Open Park office property in Prague
- The further expansion of the STOP SHOP retail park brand through the acquisition of five fully rented locations in Slovenia
- An increase in the efficiency of the real estate portfolio through the sale of selected areas in the Warsaw EMPARK and the sale of further, primarily smaller, office buildings in Warsaw
- Evaluation, discussion and approval of the budget for the 2020 financial year

Changes on the Supervisory Board

Bettina Breiteneder and Sven Bienert were elected to the Supervisory Board by the 26th annual general meeting on 22 May 2019, whereby shareholders followed a proposal by the Supervisory Board. Both are well-known managers with many years of experience in real estate and financing as well as extensive knowledge of supervisory board responsibilities. The nomination of these two candidates was preceded by an extensive evaluation process which included, among others, candidates recommended by shareholders.

Horst Populorum and Wolfgang Schischek resigned from the Supervisory Board at their own request with the end of the 26th annual general meeting on 22 May 2019. We would like to thank them for their commitment and contribution to the successful repositioning of IMMOFINANZ.

On 4 March 2020, after the end of the reporting year, Rudolf Fries resigned from the Supervisory Board with immediate effect. We would like to thank Mr. Fries for his more than ten years of engagement and commitment to the IMMOFINANZ Supervisory Board. Bettina Breiteneder succeeded Rudolf Fries as Vice-Chairwoman of the Supervisory Board.

Focal points of the committees

In order to support the efficient performance of its duties, the Supervisory Board has established three committees: the Audit and Valuation Committee, the Strategy Committee and the Personnel and Nominating Committee.

The new members were appointed to committees at the constituent meeting of the Supervisory Board in May 2019. Information on the responsibilities of the committees, their composition and the attendance of the individual members is provided in the Corporate Governance Report beginning on page 44.

The Audit and Valuation Committee met four times during the past year. The agendas for these meetings included the discussion and examination of the individual and consolidated financial statements for 2018 as well as the company's accounting process. Another focal point was the public tender in accordance with Art. 16 of the Directive on the Attachment to the Audit Report ("AP-VO") to select the auditor for the individual and consolidated financial statements from 2020 to 2022.

In four of its six meetings, the Personnel and Nominating Committee dealt with preparations for the election of new members to the Supervisory Board. Another issue involved the extension of the Executive Board contract with CEO Oliver Schumy.

The Strategy Committee is responsible, above all, for ongoing discussions of the company's strategy and positioning as well as advising the Executive Board on these issues. These responsibilities were met by the full Supervisory Board in 2019.

The Supervisory Board also completed a routine annual evaluation of its working efficiency, in particular with regard to its organisation and working procedures.

Changes on the Executive Board

In March 2020, after the end of the reporting year, Oliver Schumy resigned from the Executive Board for personal reasons and by mutual agreement. We would like to thank Mr. Schumy for his valuable and long-lasting contribution to the successful reorientation of IMMOFINANZ. Dietmar Reindl and Stefan Schönauer now form the Executive Board and are responsible for all issues.

Approval of the 2019 financial statements

The following documents were prepared by the Executive Board and audited by Deloitte Audit Wirtschaftsprüfungs GmbH, which was appointed as the auditor by the annual general meeting on 22 May 2019: the individual financial statements of IMMOFINANZ AG as of 31 December 2019 including the management report and the consolidated financial statements together with the group management report. All of these documents were awarded an unqualified opinion (pages 212–216).

The individual financial statements and consolidated financial statements as well as the related auditor's reports were made available to all Supervisory Board members immediately after completion. These

documents were discussed by the Audit and Valuation Committee in detail in the presence of the auditor and the Executive Board and reviewed in accordance with § 96 of the Austrian Stock Corporation Act. Following this examination and discussion, the members of the Audit and Valuation Committee unanimously agreed to recommend the unqualified acceptance of these documents to the Supervisory Board. The Supervisory Board accepted the individual financial statements as of 31 December 2019, which are considered approved in accordance with § 96 (4) of the Austrian Stock Corporation Act. The consolidated financial statements as of 31 December 2019 were also accepted by the Supervisory Board. In accordance with L-Rule 60 of the Austrian Corporate Governance Code, the Supervisory Board reviewed and approved the expanded Corporate Governance Report which now also includes the consolidated Corporate Governance Report and the non-financial statement.

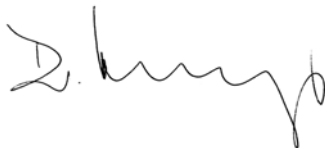
The IMMOFINANZ share is positioned as a sustainable dividend stock, and the goal is to distribute 75% of FFO 1 to shareholders. The annual general meeting was postponed to 1 October 2020 due to the Covid-19 crisis. The Executive and Supervisory Boards will announce a recommendation for the distribution of profit for the 2019 financial year when results for the first half of 2020 are published. The effects of the Covid-19 crisis on business operations will be monitored continuously up to that time.

Based on a recommendation by the Audit and Valuation Committee, the Supervisory Board approved a proposal to the annual general meeting for the 2019 financial year which calls for the appointment of Deloitte Audit Wirtschaftsprüfungs GmbH, Vienna, as the auditor for the 2020 financial year. This proposal follows a tender carried out in accordance with the applicable directive ("Art. 16 AP-VO").

On behalf of the Supervisory Board, I would like to thank the members of the Executive Board and all IMMOFINANZ employees for their outstanding performance and strong commitment and also express our gratitude to shareholders for their confidence.

Our company has a conservative capital and financing structure and is well prepared to react quickly and flexibly to future challenges.

Vienna, 21 April 2020

A handwritten signature in black ink, appearing to read 'M. Knap', written in a cursive style.

Michael Knap
Chairman